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Hertz **Press Information**

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FOR IMMEDIATE RELEASE, August 31, 1985 CONTACT:Leigh Smith (212)980-2353

Rental Cars Jump 16%...

1984 CAR & TRUCK LEASE-RENTAL REVENUES
CLIMB 10.4% TO RECORD $44.784 BILLION

Lease-rental motor vehicle revenues climbed 10.4% in 1984 to a record $44.784 billion while total units in service edged up 1.8% to an annual high of 6,249,000 from 1983's 6,126,000, helped by a 16% boost in rental cars, according to The Hertz Corporation's annual industry estimate issued today.

New cars and trucks entering lease-rental service also were up about 2% from 1,903,000 in '83 to 1,941,000 in '84, the company's new study of the industry found.

The 1984 new-unit figure is 15% below the record 2,284,000 new passenger cars and commercial vehicles that went into lease-rental use in 1978, however, the company's latest survey noted.

Today's report shows that average lease-rental vehicle age — or "holding time" — remained about 3.22 years, substantially above the 2.45-year average vehicle age in 1972, the last year before the first Arab oil embargo.

"Over the past decade, users of most cars and trucks have been keeping vehicles longer, and those who lease and rent have not been exceptions," said Frank A. Olson, Hertz Corporation chairman.

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As previously reported (6/12/85), average age of ALL cars and trucks on U.S. roads continued to rise. In 1984, the nation's 125.7 million cars averaged nearly 7.6 years — up from 7.4 in '83; the 38.6 million trucks climbed to 8.2 years old from 8.1. This brought the average 1984 motor vehicle age to 7.7 years vs. 7.6 in '83, Hertz' report pointed out.

Average annual mileage run by lease-rental units climbed 3.5% from an estimated 25,302 in 1983 to 26,180 in 1984, indicating business people were on the road in even greater numbers again last year. But their 1984 mileage was still under 1978's record 26,730, chalked up before the second oil shortage. The '84 mileage averaged by ALL U.S. units was 9,284, also 3.5% over '83.

In 1972, average lease-rental car and truck age was estimated at 2.45 years and average mileage per vehicle was 25,970, the Hertz study data shows.

'Non-Personal' Sales Also Rebound

The report estimated TOTAL cars in non-personal service — both leased AND owned vehicles, including so-called "fleet" models — were up less than 1% to 12,484,000 units from 1983's 12,293,000 and just under the '81 high of 12,490,000. "Non-personal" driving includes all business travel.

Sales of <u>new</u> "non-personal" cars rose 14.8% from 4,344,000 in 1983 to 4,985,000 in 1984, slightly outpacing the 13.4% overall 1984 new car sales advance which took overall auto registrations to 10.118 million from 1983's 8.924 million vehicles.

Sales of new units for non-personal use were 5,000 off 1972's record 4,990,000 new non-personal cars. However, <u>total</u> non-personal autos in use continued to advance each year until 1981's record of 12,490,000 because businesses and governments, like individuals, also began keeping vehicles longer, the Hertz data shows.

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Import Share Down Again

The new Hertz study also shows import autos accounted for 9.8% of non-personal car sales in '84, down from 11.4% in '83, and a record 13.2% in '81. Earlier, the "fleet" import share was 7.8% in 1978 and 3.7% in 1972.

The Hertz figures for non-personal units include major "fleet" sales of more than 10 units at a time, PLUS sales to smaller business and government groups and to individuals driving more than 50% for purposes such as business.

While total lease-rental and overall "fleet" cars in service remain an under-10% share of the 125.7 million passenger cars on the nation's roads, the ratio of new non-personal sales to all new auto sales has been in the 40-55% range for the past 20 years.

The share of new lease-rental vehicle sales to total new car and truck sales has grown from under 1% in 1950 to 14% last year. Here is a breakout of the Hertz estimates for key segments of the business for 1984, 1983 and 1974:

	1984	1983	1974
CAR LEASING			
Units In Service:	4,567,000	4,559,000	3,686,000
Revenues:	$27,309,000,000	$24,430,000,000	$7,454,000,000
(Individual leases:	1,665,000	1,653,000	1,008,000)
CAR RENTAL			
Units In Service:	610,000	525,000	361,000
Revenues:	$4,450,000,000	$4,010,000,000	$1,396,000,000
TRUCK LEASING			
Units in Service:	874,000	854,000	725,000
Revenues:	$9,863,000,000	$9,174,000,000	$4,127,000,000
TRUCK RENTAL			
Units In Service:	198,000	188,000	165,000
Revenues:	$3,222,000,000	$2,932,000,000	$1,001,000,000

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The report said these figures may be conservative, since many new and used car & truck dealers have entered the lease-rental business, adding to industry totals.

"Rentals" are defined as transient daily, weekly or monthly use of cars and trucks, generally for less than six months." Leasing" refers to longer-term contracts, usually from one to five years for cars and one to eight years for trucks.

Most lease-rental vehicles are newer, higher-priced units which cost more to buy and run than older and used models. Rental cars are normally kept 9 to 18 months, lease cars 12-48 months.

Hertz estimates lease-rental cars and trucks, which were 3.8% of the total of 164.3 units on the road last year, rolled about 163.6 billion miles, some 10.7% of the 1.526 trillion miles run by all cars and trucks last year.

First 35 Years The Slowest

Although the car and truck renting business began more than 60 years ago when the motor vehicle business itself was still young, lease-rental did not begin its current growth pattern until the 1950s.

By the mid-point of the 20th-century, only 82,000 lease-rental vehicles were in service, about 50,000 of them trucks—most short-haul delivery vans. This total amounted to less than 2/10ths of 1% of the nearly 50 million cars and trucks then on U.S. roads.

Lease rental revenues in 1950 were less than $120 million, almost $90 million in truck receipts, according to a review of U.S. motor vehicle use and costs prepared by Hertz. Lease-rental vehicle mileage of 1.6 billion was just 4/10ths of 1% of the 364 billion miles all cars and trucks ran that year.

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Some 20,000 Firms, Variety of Leases

Some persons place the number of firms now in car or truck leasing or renting as high as 20,000 — ranging from automobile dealers who rent or lease only a handful of vehicles each, to major banks and retail chains specializing in fleet leases.

A variety of lease and rental contracts are written to meet wide customer needs. Under the most basic so-called "open-end" or "finance" lease, for example, a lessee — customer — often assumes any gain or loss when a unit is sold at the lease's end.

Most other agreements are simply options on or variations of the basic lease understanding. With a "closed end" contract, for instance, the lessor — leasing company — has responsibility for any profit or loss.

Other contract variations might permit a lessee to share in resale value gain at lease end, and guard against loss. Added lease "options" may include full- or partial-maintenance of a vehicle, discounts on major items such as tires and batteries, and alternate forms of insurance coverage.

With a full-maintenance lease, the lessor provides complete service of the vehicle; with a "non-maintenance" contract, the lessee usually is responsible for keeping the vehicle running.

One agreement may cover fueling, maintaining, garaging, insuring and administering a huge nationwide fleet of jumbo tractor-trailer combinations at dozens of locations for a giant corporation. Another may involve only one individual leasing a single sub-compact passenger car.

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Used Vehicles Sold

In addition, Hertz and other leasing companies now dispose of some lease and rental units through sales to retail customers at showrooms and lots in key cities across the nation, a practice Hertz introduced in 1970.

Industry officials foresee continuing growth of vehicle leasing and renting. If the past advances continue at prior rates, as many in the industry foresee, volume would be in the $60-70 billion annual range by the end of the decade.

Hertz states: "The car and truck lease-rental volume has been growing for two decades at rates significantly higher than rates of growth of new cars and new trucks generally. As the vehicle lease-rental industry continues to offer more and improved service to the motoring public — individuals and corporations— we are confident future growth will continue to reflect the success of our efforts as it has in the past."

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TABLE IA Hertz Corp. 8/85

HERTZ ESTIMATES OF LEASE-RENTAL INDUSTRY UNITS & OTHER 'FLEET*' VEHICLES

Units=Thousands
Revs.=Millions 1950-1983 ('50-'73)
Gals./Miles=Billions

Total In Service	1950 Car	1950 Truck	1950 Total	1960 Car	1960 Truck	1960 Total	1973 Car	1973 Truck	1973 Total
Rental Units	17	9	26	112	45	157	364	162	526
Rental Revs.	22	19	41	216	142	358	1171	829	2000
Lease Units	16	40	56	524	207	731	3227	688	3915
Lease Revs.	8	69	77	483	519	1002	6128	2894	9022
S/T L/R Units	33	49	82	636	252	888	3581	850	4431
S/T L/R Revs.	30	88	118	699	661	1360	7229	3723	10952
Lease Cars									
-'Fleet'*Units	16			449			2233		
-Individ.Units	—			75			994		
Lease Trucks									
- Full Service		36			145			361	
- Finance		14			62			327	
NEW Units Into:									
- L/R Service	12	9	21	242	53	295	1744	204	1948
- All Uses	6300	1100	7400	7100	900	8000	11376	3029	14405
% L/R to Total	0.002	0.008	0.003	0.034	0.059	0.037	0.153	0.067	0.135
Vehicles On Road (Millions)	40.3	8.8	49.2	61.6	12.2	73.8	101.8	23.7	125.5
Fuel Used By:									
- L/R Vehicles	0.03	0.12	0.15	0.83	0.76	1.59	5.98	3.43	9.41
- All C & T	25.2	10.3	35.5	41.2	16.7	57.9	74.9	30.4	105.3
Mileage Run By									
- L/R Units	0.5	1.1	1.6	11.9	5.9	17.8	77.7	29.5	107.2
- All Units	364	94	458	588	131	719	977	260	1237
All'Fleet'*Cars									
On Road(Mls.)	4.876			7.453			11.589		
Miles Trvld.	62.3			100.6			157.4		

*Fleet = Vehicles in non-personal business, government, non-profit, lease-rental etc. service, more than 50%, whether registered to companies or individuals. Imports include units assembled here by foreign firms.

HERTZ ESTIMATES OF LEASE-RENTAL INDUSTRY & OTHER 'FLEET*' UNITS

Units=Thousands
Revs.=Millions
Gals./Miles=Billions

TABLE IE 1974-1982

Total In Service	1974 Car	1974 Truck	1974 Total	1981 Car	1981 Truck	1981 Total	1982 Car	1982 Truck	1982 Total
Rental Units	361	165	526	512	193	705	505	188	693
Rental Revs.	1356	1001	2357	3349	2606	5955	3582	2677	6259
Lease Units	3325	725	4050	4556	848	5404	4497	856	5353
Lease Revs.	7454	4927	12381	21236	8300	29536	22322	8581	30903
S/T L/R Units	3686	890	4576	5068	1041	6109	5002	1044	6046
S/T L/R Revs.	8810	6993	15803	24585	10906	35491	25904	11258	37162
Lease Cars									
-'Fleet'*Units	2317			2843			2852		
-Individ.Units	1008			1713			1645		
Lease Trucks									
- Full Service		373			330			322	
- Finance		352			518			534	
NEW Units Into:									
- L/R Service	1644	217	1861	1743	183	1926	1570	201	1771
- All Uses	8701	2657	11358	8444	2185	10629	7754	2430	10185
% L/R to Total	0.189	0.082	0.164	0.206	0.084	0.181	0.202	0.083	0.174
Vehicles On Road (Millions)	104.2	25.0	129.2	122.0	36.1	158.1	123.2	37.0	160.2
Fuel Used By:									
- L/R Vehicles	5.83	4.26	10.09	5.24	4.04	9.28	4.90	4.16	9.06
- All C & T	73.3	29.9	103.2	66.1	39.1	105.7	65.8	41.2	107.0
Mileage Run By									
- L/R Units	72.9	30.3	103.2	98.3	39.6	138.0	101.9	40.4	142.3
- All Units	916	274	1190	986	383	1369	990	398	1388
All'Fleet'*Cars									
On Road(Mls.)	11.705			12.490			12.061		
Miles Trvld.	143.9			150.9			151.7		

*For definitions of "fleet" and "import" vehicles see Table IA. 8/85

TABLE IC 8/85

HERTZ ESTIMATES OF LEASE-RENTAL INDUSTRY UNITS & OTHER 'FLEET' VEHICLES*

Units=Thousands 1983-1984

Revs.=Millions

Gals./Miles=Billions

Total In Service	1983 Car	1983 Truck	1983 Total	1984 Car	1984 Truck	1984 Total	Percent Change '74-84	Psg.Car 1983-4
Rental Units	525	188	713	610	198	808	1.690	1.162
Rental Revs.	4019	2932	6951	4450	3222	7672	3.282	1.107
Lease Units	4559	854	5413	4567	874	5441	1.374	1.002
Lease Revs.	24430	9174	33604	27309	9803	37112	3.664	1.118
S/T L/R Units	5084	1042	6126	5177	1072	6249	1.405	1.018
S/T L/R Revs.	28449	11258	40555	31759	13025	44784	3.605	1.116
Lease Cars								
-'Fleet'*Units	2906			2902			1.252	0.999
-Individ.Units	1653			1665			1.652	1.007
Lease Trucks								
- Full Service		319			321			1.006
- Finance		535			553			1.034
NEW Units Into:								
- L/R Service	1696	207	1903	1727	214	1941	1.050	1.018
- All Uses	8924	2977	11901	10118	4047	14165	1.162	1.134
% L/R to Total	0.190	0.070	0.160	0.171	0.053	0.137		
Vehicles On Road (Millions)	124.5	38.1	162.6	125.7	38.6	164.3	1.206	1.010
Fuel Used By:								
- L/R Vehicles	5.21	4.34	9.55	5.39	4.59	9.98	0.925	1.035
- All C & T	66.6	41.6	108.2	69.0	43.7	112.7	0.934	1.036
Mileage Run By								
- L/R Units	112.5	42.5	155.0	118.1	45.5	163.6	1.620	1.050
- All Units	1036	423	1459	1080	446	1526	1.179	1.042
All'Fleet'*Cars On Road(Mls.)	12.393			12.484				1.007
Miles Trvld.	191.4			196.9				1.029

*Fleet and imported vehicles defined on IA.

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Hertz Corp 8/85.

TABLE IIA

'FLEET' CAR SALES — NEW UNITS SOLD FOR NON-PERSONAL SERVICE
(Estimates in Millions of Vehicles)

	1950	1960	1973	1975	1978	1979	1980
# Domestic	1.476	2.481	4.532	4.494	4.401	4.302	3.784
# Import	0.0004	0.0030	0.2590	0.2510	0.3750	0.3860	0.5210
Import % Of 'Fleet' TOTAL	—	1.3	5.4	5.3	7.8	8.2	12.1
'FLEET'	1.476	2.484	4.791	4.745	4.774	4.704	4.305
% 'Fleet' To All P/C Sales	23.4	35.0	42.1	57.4	43.6	45.5	49.1

NEW CAR SALES TO INDIVIDUALS FOR PERSONAL USE

# Domestic	4.819	4.114	5.056	2.263	4.599	3.678	2.508
# Import	0.005	0.507	1.529	1.254	1.573	1.953	1.948
TOTAL #	4.824	4.621	6.585	3.517	6.172	5.631	4.456
% Import To All Individual Sales	0.1	11.0	23.2	35.7	25.5	34.7	43.7

TOTAL NEW CAR SALES — INDIVIDUAL & 'FLEET' — DOMESTIC & IMPORT

# Domestic	6.295	6.595	9.586	6.757	9.000	7.996	6.292
# Import	0.005	0.510	1.790	1.505	1.946	2.339	2.469
TOTAL #	6.300	7.105	11.376	8.262	10.946	10.335	8.761
% Import To TOTAL P/C SALES	0.2	7.0	15.7	18.2	17.8	22.6	28.1

"Fleet" Sales = All passenger cars used primarily for non-personal driving.
"Imports" include units made in USA by overseas companies.

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TABLE IIB
Hertz Corp. 8/85

'FLEET' CAR SALES — NEW UNITS SOLD FOR NON-PERSONAL SERVICE
(Estimates in Millions of Units)

	1981	1982	1983	1984	Percentage Change 1974-84	Percentage Change 1983-4
# Domestic	3.475	3.252	3.848	4.501	0.998	1.170
# Import	0.528	0.463	0.496	0.484	2.719	0.976
Import % Of 'Fleet' TOTAL 'FLEET'	13.2	12.5	11.4	9.8		
	4.003	3.715	4.344	4.985	1.063	1.148
% 'Fleet' To All P/C Sales	47.4	47.9	48.7	49.3		

NEW CAR SALES TO INDIVIDUALS FOR PERSONAL USE

# Domestic	2.537	2.209	2.619	3.094	1.096	1.181
# Import	1.904	1.830	2.457	2.039	1.712	0.830
TOTAL #	4.441	4.039	5.076	5.133	1.279	1.011
% Import To All Individual Sales	42.9	45.3	48.4	39.7		

TOTAL NEW CAR SALES — INDIVIDUAL & FLEET — DOMESTIC & IMPORT

# Domestic	6.012	5.461	6.467	7.595	1.036	1.174
# Import	2.432	2.293	2.457	2.523	1.843	1.027
TOTAL #	8.444	7.754	8.924	10.118	1.163	1.134
% Import To TOTAL P/C SALES	28.8	29.6	27.5	24.9		

"Fleet" units are those driven primarily (more that 50%) for non-personal purposes. "Imports" include units made in the USA by overseas companies.

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Table III MILEAGE TRAVELLED &FUEL USED BY PURPOSE & VEHICLE TYPE

Hertz Estimates (Originally Issued: 7/85)

	NON-PLEASURE TRAVEL								PLEASURE	
	TRUCK		PASSENGER CAR							
	/Business Travel/		/Essential/ /Family Use/		/+Commutation/		/Pleasure Usage/			
YEAR	Miles (Bls.)	Fuel Use (Bls. Gals.)	Miles (Bls.	Fuel Use (Bls. Gals.)	Miles (Bls.)	Fuel Use (Bls. Gals.)	Miles (Bls.)	Fuel Use (Bls. Gals.)	Miles (Bls.)	Fuel Use (Bls. Gals.)
1950	94.0	10.30	62.3	14.33	207.0	14.38	102.0	7.06	95.0	6.49
1960	131.0	16.70	100.6	7.03	334.0	23.36	170.0	11.87	153.0	10.81
1970	220.0	26.50	159.8	11.66	508.0	37.08	268.0	19.53	233.0	17.06
1971	232.0	28.00	164.6	12.01	549.0	40.07	287.0	20.98	241.0	17.42
1972	265.0	29.50	167.0	11.68	573.0	40.07	303.0	21.20	263.0	18.25
1973	260.0	30.40	157.4	12.11	561.0	43.15	297.0	22.88	259.0	19.64
1974	274.0	29.90	143.9	11.51	529.0	42.32	281.0	22.46	244.0	19.47
1975	270.0	29.70	148.2	11.31	553.0	42.21	294.0	22.42	254.0	19.68
1976	302.0	33.10	154.7	10.67	572.0	43.01	303.0	22.82	262.0	20.72
1977	338.0	36.70	161.1	10.39	630.0	45.99	323.0	23.58	258.0	20.22
1978	360.0	38.30	171.1	10.06	652.0	46.57	334.0	23.89	264.0	20.97
1979	371.0	38.60	166.7	9.26	658.0	45.89	324.0	22.70	229.0	18.05
1980	386.0	40.10	152.5	8.03	637.0	44.44	315.0	21.94	201.0	15.83
1981	383.0	39.10	150.9	7.82	636.0	43.47	314.0	21.42	199.0	15.31
1982	398.0	40.40	151.7	7.40	639.0	43.32	316.0	21.41	198.0	15.10
1983	423.1	41.64	191.4	8.95	582.1	38.50	360.2	23.82	262.2	19.21
1984	446.3	43.67	196.9	8.88	597.5	39.71	362.9	23.69	285.2	20.44

	SUB-TOTAL CARS		SUB-TOTAL NON-PLEASURE (CAR & TRUCK)		GRAND TOTAL CARS & TRUCKS	
	Miles (Mls.)	Fuel Use (Bls.Gls.)	Miles (Bls.)	Fuel Use (Bls.Gls.)	Miles (Bls.)	Fuel Use (Bls.Gls.)
1950	364.3	35.20	363.3	39.01	458.3	45.50
1960	587.6	41.20	565.6	47.09	718.6	57.90
1970	900.8	65.80	887.8	75.24	1120.8	92.30
1971	954.6	69.50	945.6	80.08	1186.6	97.50
1972	1003.0	70.00	1005.0	81.25	1268.0	99.50
1973	977.4	74.90	978.4	85.66	1237.4	105.30
1974	916.9	73.30	946.9	83.73	1190.9	103.20
1975	955.2	73.20	971.2	83.22	1225.2	102.90
1976	988.7	74.40	1028.7	86.78	1290.7	107.50
1977	1049.1	76.60	1129.1	93.08	1387.1	113.30
1978	1087.1	77.60	1183.1	94.93	1447.1	115.90
1979	1053.7	73.20	1195.7	93.75	1424.7	111.80
1980	990.5	68.30	1175.5	92.57	1376.5	108.40
1981	985.9	66.60	1169.9	90.39	1368.9	105.70
1982	988.7	65.82	1188.7	91.12	1386.7	106.22
1983	1035.7	66.66	1196.6	89.09	1458.8	108.30
1984	1079.6	69.03	1240.7	92.25	1525.9	112.70

+ "Essential Family Use" includes commutation; some commutation is by truck & is included in the truck mileage.

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TABLE IV — Hertz Estimates of — Originally Issued 6/85

TOTAL NEW & USED CARS SOLD IN 1984 BY TYPE OF USE
(in millions of units)

	TOTAL Cars Sold New & Used			Cars N&U Sold for NON-Personal Use			Cars N&U Sold For PERSONAL Use		
	Numbers	Percentages: Down	Across	Number	Percentages: Down	Across	Numbers	Percentages: Down	Across
NEW CARS									
Domestic	7.596	0.751	1.0	4.519	0.875	0.595	3.076	0.547	0.405
Import	2.523	0.249	1.0	0.510	0.125	0.202	2.013	0.453	0.798
Sub-total New Cars	10.118	1.000		5.029	1.000		5.089	1.000	
Percentages		0.376	1.0			0.497			0.503
USED CARS									
Domestic	14.167	0.843	1.0	2.040	0.825	0.144	12.127	0.828	0.856
Import	2.638	0.157	1.0	2.232	0.176	0.846	0.406	0.172	0.154
Sub-total Used Cars	16.805	1.000		4.272	1.000		12.533	1.000	
Percentages		0.624	1.0			0.254			0.746
TOTALS	26.923	1.000	1.0	9.301		0.345	17.622		0.655

(A) The term "fleet" vehicle is defined by auto manufacturers as a unit sold to an organization acquiring 10 or more motor vehicles each year; in addition to these units, many more are sold to smaller organizations and/or government groups and associations, and to individuals, which are used PRIMARILY (over 50%) for "business," rather than for purely personal driving; the above "non-personal use" figures reflect both such categories.